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PART III.

Legislative Measures and Rules thereunder.

RULES AND FORMS MADE BY THE CHIEF COURT OF MYSORE AT BANGALORE UNDER THE MYSORE COMPANIES REGULATION VIII OF 1917.

Under the powers conferred by the Mysore Companies Regulation VIII of 1917, the Chief Court direct that the following Rules of Practice and Procedure and the forms set out in the Appendix hereto shall be used and observed in the District Courts.

General Headings.

1. The following shall be used as general headings in all cases under the rules relating to Companies.

(*a*) For proceedings before the District Court—

In the District Court of . . . . .

In the matter of the Mysore Companies Regulation No. VIII of 1917, and of the Company Limited.

(*b*) For all advertisements, notices and other proceedings not before the District Court:—

In the matter of the Mysore Companies Regulation (No. VIII of 1917), and of the Company Limited.

(*c*) "In cases where it is required, the words" 'and reduced' shall be added to the description of the Company."

Forms to be used.

2. The forms in the appendix hereto shall be used with such variations as circumstances may require.

REDUCTION OF CAPITAL.

Petition to reduce capital. 'And reduced' under Section 57 of the Regulation.

3. Upon the presentation of a petition for an order confirming a special resolution for reducing the capital of a Company in cases where the creditors of the Company are not entitled to object to the proposed reduction, the words 'and reduced' shall be used, unless an order has been obtained dispensing with those words. Such an order may be obtained *ex parte* on application either before or after the petition has been presented. In the former cases a copy of the intended petition should be filed.

Practice in cases where creditors cannot object.

4. In the cases mentioned in the last preceding rule, a certificate shall not be granted as is hereinafter provided by Rule 16, but the petition shall be posted for hearing. In all other cases, the rules hereinafter provided with reference to petitions to reduce capital shall be followed.

Practice where creditors are entitled to object.

5. In cases in which the creditors are entitled to object to the proposed reduction, the petition shall not be posted for hearing until after the expiration of 14 clear days from the filing of such certificate as is mentioned in Rule 16 hereafter.

Proceedings after petition presented.

6. When any such petition as last aforesaid has been presented, application may be made *ex parte* for directions as to the proceedings to be taken for settling the list of creditors entitled to object to the proposed reduction, and the Court may thereupon fix the date with reference to which the list of such creditors is to be made out pursuant to Section 58 of the Regulation: and may, either at the same time or afterwards, as may seem best, give such directions as are mentioned in Rules 7, 8, 11, 12 and 13. The order upon such application may be in Form No. 1 in the appendix hereto.

Advertisement of petition.

7. Notice of the presentation of the petition shall be published at such times in the *Mysore Gazette*, and in such newspapers in English and in the Vernacular as the Court shall direct, so that the first insertion of such notice be made not less than one calendar month before the day of the date fixed, as mentioned in Rule 6. Such notice may be in Form No 2.

Affidavit as to creditors.

8. The Company shall, within such time as the Court shall direct, file in Court an affidavit made by some officer or officers of the Company competent to make the same, verifying a list containing the names and addresses of the creditors of the Company at the date fixed as mentioned in Rule 6; and the nature and amounts due to them, respectively, or in case of any debt payable on a contingency or not ascertained or any claim admissible to proof in a winding-up of the Company, the value, so far as can be justly estimated, of such debt or claim.

Form of affidavit.

9. The person making such affidavit shall state therein his belief that such list is correct, and that there was not at the date so fixed as aforesaid any debt or claim which, if that date was the commencement of the winding up of the Company, would be admissible in proof against the Company, except the debts set forth in such list, and shall state his means of knowledge of the matters deposed to in such affidavit. Such affidavit may be in Form No. 3.

Inspection of list of creditors.

10. Copies of such list, containing the names and addresses of the creditors, and the total amount due to them, but omitting the amounts due to them respectively, or (as

the Court shall think fit) complete copies of such list, shall be kept at the registered office of the Company and at the offices of their advocate or pleader (if any) and any person desirous of inspecting the same may, at any time during the ordinary hours of business, inspect and take extracts from the same on payment of the sum of one rupee.

Notice to creditors.

11. The Company, shall, within seven days after the filing of such affidavit, or such further time as the Court may allow, send to each creditor whose name is entered in the said list a notice stating the amount of the proposed reduction of capital, and the amount or estimated value of the debt for which such creditor is entered in the said list, and the time (such time to be fixed by the Court) within which, if he claims to be a creditor for a larger amount, he must send in his name and address, and the particulars of his debt or claim and the name and address of his pleader (if any) to the pleader of the Company; and such notice shall be sent through the post in a registered letter prepaid for acknowledgment addressed to each creditor at his last known address or place of abode and may be in Form No 4; provided, that where any of the creditors of the Company are residing out of the Mysore Province, or where the names of any of the creditors are not known to the Company, the Court may direct notice to be given to them by advertisement in such papers and at such times or in such manner as it may think proper.

Advertisement as to list of creditors.

12. Notice of the list of creditors shall, after the filing of the affidavit mentioned in Rule 8, be published at such times and in such newspapers as the Court shall direct. Every such notice shall state the amount of the proposed reduction of capital, and the places where the aforesaid list of the creditors may be inspected, and the time within which creditors of the Company, whose names are not entered in the said list, and who are desirous of being entered therein, must send in their names and addresses, and the particulars of their debts or claims, and the names and addresses of their pleader (if any) to the pleader of the Company; and such notice may be in Form No. 5.

Affidavit as to result of Rules 11 and 12.

13. The Company shall, within such time as the court shall direct, file in court an affidavit made by the person to whom the particulars or debts of claims are, by such notices as are mentioned in Rules 11 and 12, required to be sent in, stating the result of such notices, respectively, and verifying a list containing the names and addresses of the persons (if any), who shall have sent in the particulars of their debts or claims in pursuance of such notices, respectively, and the amounts of such debts or claims, and some competent officer or officers of the Company shall join in such affidavit, and shall in such list distinguish which (if any) of such debts and claims are wholly, or as to any and what part thereof, admitted by the company, and which (if any) of such debts and claims are wholly, or as to any and what part thereof, disputed by the company. Such affidavit may be in Form No. 6.

Proceedings where claim not admitted.

14. Where any debt or claim, the particulars of which are so sent in, shall not be admitted by the Company, at its full amount, then and in every such case, unless the Company are willing to set apart and appropriate in such manner as the court shall direct the full amount of such debt or claim, the Company shall, if the court thinks fit so

to direct, send to the creditor a notice that he is required to come in and prove such debt or claim, or such part thereof as is not admitted by the Company, by a day to be therein named, being not less than 14 clear days after such notice, and being the time appointed by the Judge for adjudicating upon such debts and claims, and such notice shall be sent in the manner mentioned in Rule 11 and may be in Form No. 7, with such variations as the circumstances of the case may require.

Costs of proof.

15. Such creditors as come in and prove their debts or claims in pursuance of such notice as is mentioned in Rule 14 may be allowed their costs of proof against the Company and such costs shall be added to their debt; or the said creditors may be ordered to pay the costs in the event of their proof not being established.

Certificate by the court as to creditors.

16. The result of the settlement of the list of creditors shall be stated in a certificate which shall be signed by the Judge, and such certificate shall state what debts or claims (if any) have been disallowed, and shall distinguish the debts or claims the full amount of which the Company are willing to set apart and appropriate, and the debts or claims (if any) the amount of which has been fixed by inquiry and adjudication in manner provided by Section 59 of the Regulation, and the debts or claims (if any) the full amount of which is not admitted by the Company, and which the Company are unwilling to provide for, and the amount of which has not been fixed by inquiry and adjudication as aforesaid; and shall show which of the creditors have consented in writing to the proposed reduction, and the total amount of the debts due to them, and the total amount of the debts or claims the payment of which has been secured in manner provided by the said Section 59 of the Regulation, and the persons to or by whom the same are due or claimed; but it shall not be necessary to show in such certificate the several amounts of the debts or claims of any persons who have consented in writing to the proposed reduction or the payment of whose debts or claims has been secured as aforesaid.

Petition to come on for hearing.

17. After the expiration of 14 clear days from the filing of such last mentioned certificate the petition shall be set down for hearing in the ordinary course.

Advertisement of hearing.

18. Before the hearing of the petition, notices stating the day on which the same is appointed to be heard shall be published at such times and in such newspapers, in English and the Vernaculars, as the court shall direct. Such notices may be in Form No. 8.

Who may appear.

19. Any creditor settled on the said list whose debt or claim has not, before the hearing of the petition, been discharged or determined, or been secured in manner provided by Section 59 of the Regulation, and who has not before the hearing consented in writing to the proposed reduction of capital, may, if he thinks fit, upon giving two clear days' notice to the pleader of the Company of his intention so to do, appear at the hearing of the petition and oppose the application.

Costs of appearance.

20. When a creditor who appears at the hearing under the last preceding rule is a creditor the full amount of whose debt or claim is not admitted by the Company, and the validity of whose debt or claim has not been inquired into and adjudicated upon under Section 59 of the Regula-

tion, the costs of and occasioned by his appearance shall be dealt with as to the court shall seem just, but in all other cases a creditor appearing, shall be entitled to the costs of such appearance, unless the court shall be of opinion that in the circumstances of the particular case his costs ought not to be allowed.

Directions at hearing.

21. When the petition comes on to be heard, the court may, if it shall so think fit, give such directions as may seem proper with reference to the securing in manner mentioned in Section 59 of the Regulation, the payment of the debts or claims of any creditors who do not consent to the proposed reduction; and the further hearing of the petition may, if the court shall think fit, be adjourned for the purpose of allowing any steps to be taken with reference to the securing in manner aforesaid the payment of such debts or claims.

Order confirming reduction.

22. Where the court makes an order confirming a reduction, such order shall give directions in what manner and in what newspapers, in English and the Vernacular, and at what times notice of the registration of the order and of such minute as is mentioned in Section 61 of the Regulation, is to be published; and unless the court shall have dispensed altogether with the addition of the words "and reduced" or shall then dispense with the further use thereof, shall fix the date until which the words "and reduced" are to be deemed part of the name of the Company as mentioned in Section 57 of the Regulation.

Publication of reasons for reduction, etc.

23. If the court shall think fit to require the Company to publish the reasons for the reduction of its capital or any other information with regard thereto or the causes which led to such reduction (as provided by Section 65 of the Regulation) the same shall be advertised in such newspapers, in English and in the Vernacular, as the court shall think proper.

WINDING-UP.

Petition to wind-up Company. Advertisement of petition.

24. Every petition for the winding-up of any Company by the Court, or subject to the supervision of the Court, after admission, shall be advertised 14 clear days before the hearing, once in the *Mysore Gazette*, and when practicable, once at least in two local newspapers, or if there is none, in any two newspapers circulating in the State of Mysore, and also by proclamation affixed to the walls of the Court House, unless the court otherwise directs.

The advertisement shall state the date on which the petition was presented, the name and address of the petitioner and of his pleader or agent (if any). (Form No 11):

Service of petition.

25. Every such petition shall, unless presented by the Company, be served at the registered office (if any) of the Company, and where there is no registered office, then at the principal or last known principal place of business of the company, if any such can be found, upon any member, officer, or servant of the company there, or in case no such member, officer, or servant can be found there, then by being left at such registered office or principal place of business, or by being served on such member or members of the Company as the court may direct; and every petition for the winding-up of a company subject

to the supervision of the Court shall also be served upon the liquidator (if any) appointed for the purpose of winding up the affairs of the Company. So also every petition for the compulsory winding up of a Company shall be served upon the liquidator (if any) who may have been appointed to act in a voluntary winding up, or in a winding up under supervision, as the case may be.

Affidavit verifying petition.

26. Every petition for the winding up of any Company by the Court, or subject to the supervision of the Court, shall be verified by an affidavit referring thereto, in Form No 10, such affidavit shall be made by the petitioner, or by one of the petitioners where more than one, or in case the petition is presented by the Company, by some director, secretary, or other principal officer thereof, and shall be made and filed within four days after the petition is presented, and such affidavit shall be sufficient *prima facie* evidence of the statements in the petition. Where the petition is presented by a corporate body, other than the company itself, the affidavit shall be made by some director, secretary or other principal officer of such corporate body: provided that where the petitioner is by reason of absence or for other good cause unable to verify such petition, the same may with the permission of the court be verified by any person duly authorized by him in that behalf.

Copies of petition to be supplied.

27. Every contributory or creditor of the company, shall, on application to the Court in which the petition is presented, be entitled to be furnished with a copy of the petition on payment of the usual fees for copies of documents.

Affidavit in opposition and reply.

28. (1) Affidavits in opposition to a petition that a Company may be wound up under the order, or subject to the supervision, of the Court shall be filed within seven days of the date on which the affidavit verifying the petition is filed, and the notice of the filing of every affidavit in opposition to such a petition shall be given to the petitioner or his agent on the day on which the affidavit is filed.

(2) An affidavit in reply to an affidavit filed in opposition to a petition shall be filed within three days of the date on which notice of such affidavit is received by the petitioner or his agent.

Petition not to be dismissed, if any creditor desires to take advantage of it.

29. Where a petition to wind up has been admitted, the petitioner shall not be entitled to withdraw or have it dismissed, where any creditor appears and proves his debt and is desirous of taking advantage of the petition.

ORDER TO WIND-UP COMPANY.

Order to wind-up company. Advertisement and service of order.

30. Notice of every order for the winding up of a company by the Court, or subject to its supervision, shall within twelve days after the date thereof, be advertised by the petitioner once in the *Mysore Gazette* and otherwise as the Court may direct, and shall be served upon such person (if any) and in such manner as the Court may direct.

Application for order to proceed with winding up.

31. Within ten days after the passing of any order for winding up a Company, the petitioner may apply for an order to proceed with the winding up, and in default of such application by the petitioner, any other person interested in the winding up of the company may apply to be permitted to have the conduct and prosecution of the order. Upon such application, a notice for proceeding with the

winding-up of the Company, shall be served upon all parties who may have appeared upon the hearing of the petition. Upon the return of such notice a time shall be fixed for the appointment of an official liquidator, for the proof of debts, and for the list of contributories to be brought in. Directions may be given as to the advertisements to be issued for all or any such purposes and generally as to the proceedings and the parties to attend thereon. The proceedings under the order shall be continued by adjournment, and, when necessary, by further notice, and any such direction as aforesaid may be given, added to or varied at any subsequent times, as may be found necessary.

OFFICIAL LIQUIDATOR.

Appointment of Official Liquidator.

32. The Court may appoint a person to the office of official liquidator without any previous advertisement or notice to any party, or may fix a time and place for the appointment of an official liquidator, and may appoint or reject any person nominated at such time and place and appoint any person not so nominated.

Joint Official Liquidators.

33. Where joint official liquidators are appointed the rules relating to the official liquidator shall be applicable *mutatis mutandis*.

Advertisement as to appointment of Official Liquidator.

34. When a time and place are fixed for the appointment of an official liquidator, such time and place shall be advertised in such manner as the court shall direct, so that the first or the only advertisement shall be published within fourteen days, and not less than seven days, before the day so fixed. (Form No. 15)

Security of Official Liquidator.

35. Every official liquidator shall give security by entering into a recognizance with one or more sufficient sureties, or by depositing Government Securities in such sum as the Court may approve, provided that the Court may, if it thinks fit, dispense with such security. (Forms. Nos. 17 and 18)

Order appointing Official Liquidator.

36. The official liquidator shall be appointed by order; and unless security shall have been dispensed with, a time shall be fixed by such order within which he is to furnish security, and the order shall fix the times or periods at which the official liquidator is to file his accounts of receipts and payments, and shall direct that all moneys to be received shall be paid into any Bank approved by Government, or in the case of a District Court into that Court, immediately or within seven days at least after the receipt thereof, to the account of the official liquidator of the Company and an account shall be opened there accordingly, and if the money is payable into the Bank as aforesaid an office copy of the order shall be lodged at the Bank as aforesaid. (Forms Nos. 19 and 23).

Certificate of security given

37. When an official liquidator has given security pursuant to the direction in the order appointing him, the same shall be certified by the District Judge.

Fresh security when required.

38. Except in cases where security has been dispensed with, the official liquidator shall on each occasion of passing his accounts, and also whensoever the court may so require, satisfy the court that his sureties are living and resident in Mysore, and have not become or been adjudged insolvent, and in default thereof he may be required to enter into fresh security within such time and to such amount as shall be directed.

Advertisement of appointment made

39. Every appointment of an official liquidator shall be advertised in such manner as the Court shall direct immediately after he has been appointed and has given security if any, required. (Form No. 24.)

Provisional Liquidator.

40. (1) After the presentation of petition, upon the application of a creditor or of contributory, or of the company, and upon proof by affidavit of sufficient ground for the appointment of some fit person as Provisional Liquidator, the Court, if it thinks fit and upon such terms as to security, or otherwise as in the opinion of the Court shall be just and necessary, may make the appointment. (Form No. 20.)

(2) The order of the appointment of Provisional Liquidator shall state the nature and short description of the property of which the said Provisional Liquidator is ordered to take possession and the duties to be performed by him.

(3) Subject to any order of the Court, if no order for the winding-up of the Company is made upon the petition, or if any order for the winding-up of the Company on the petition is rescinded, or if all proceedings on the petition are stayed, or if an order is made continuing the voluntary winding up of the Company subject to the supervision of the Court, the Provisional Liquidator shall be entitled to be paid out of the property of the Company all the costs, charges and expenses properly incurred by him as Provisional Liquidator.

Vacancy in office of Official Liquidator.

41. In case of the death, removal or resignation of an Official Liquidator, another shall be appointed in his place in the same manner as directed in the case of a first appointment, and proceedings for that purpose may be taken by such party interested as may be authorized by the Court to take the same.

Remuneration of Official Liquidator.

42. The Official Liquidator shall be allowed in his accounts, or otherwise paid, such amount by way of salary or remuneration as the Court may from time to time direct, and the sum so fixed is to cover the expenses of the employment of assistants or clerks by the Official Liquidator unless the Court shall otherwise order. Such salary or remuneration may be fixed either at the time of appointment or at any time thereafter, as the Court may think fit. Every allowance of such salary or remuneration, unless made at the time of the appointment or upon passing an account, shall be made on application for that purpose by the Official Liquidator, on notice to such persons if any) and supported by such evidence as the Court shall require. Provided, nevertheless, that the Court may, from time to time, allow any sum it may think fit to the Official Liquidator on account of the salary or remuneration to be thereafter fixed.

Time for payment of remuneration.

43. The remuneration of an Official Liquidator as far as possible shall be fixed in the nature of a commission or percentage of which one part shall be payable on the amount realized after deducting the sums (if any) paid to secured creditors (other than debenture holders) out of the proceeds of their securities, and the other part on the amount distributed in dividend.

Limit of remuneration.

44. Except as provided by the Regulation or the rules, a Liquidator shall not under any circumstances whatever make any arrangement for, or accept from any pleader, auctioneer, or any other person connected with

the Company of which he is the Liquidator, or who is employed in or in connection with the winding-up of the Company, any gift remuneration, or pecuniary or other consideration or benefit whatever beyond the remuneration to which under the Regulation and the rules he is entitled as Liquidator, nor shall he make any arrangements for giving up, or give up any part, of such remuneration to any such pleader, auctioneer or other person.

Preparation of the list of Company's property.

45. Unless the Court shall otherwise direct, the Liquidator as soon as he takes over charge shall make a list of all the property (moveable as well as immoveable) belonging to the Company in duplicate: which shall be signed by two or more past officers of the Company as well as Liquidator who shall file one copy of the list with the Court.

Preliminary report.

46. A preliminary report together with a statement of the affairs of the Company showing the probable amount of loss should be submitted by the Provisional or Official Liquidator within a period to be fixed by the Court on his appointment.

Duties of official Liquidator.

47. The Official Liquidator shall with all convenient speed, after he is appointed, proceed to make up, continue, complete, and rectify the books of account of the Company, and shall provide and keep such books of account as shall be necessary or as the Judge may direct, for the purposes aforesaid, and for showing the debts and credits of the Company including a ledger which shall contain the separate account of the contributories and in which every contributory shall be debited from time to time with the amounts payable by him in respect of any call to be made as provided by the Regulation and these rules.

Record Book.

48. (1) The Official Liquidator shall further keep a book to be called the "Record Book" in which he shall record all minutes, all proceedings had and resolutions passed at any meeting of creditors or contributories, and all such matters as may be necessary to give a correct view of his administration of the Company's affairs.

Cash Book.

(2) The provisional Liquidator, until an Official Liquidator is appointed by the Court, and thereafter the Official Liquidator, shall keep a book to be called the cash-book in which he shall enter from day to day the receipts and payments made by him.

Monthly progress report.

49. The Liquidator shall also keep a book in which he should submit his monthly reports of progress, together with a brief summary of receipts and payments made in that month, to the Court, and obtain the order of the Court on various matters.

Filing of accounts.

50. The accounts of the Official Liquidator shall be filed at such times as may from time to time be ordered by the Court, but not less than once in twelve months, and shall upon notice to such persons (if any) as the Court shall direct, be audited, passed or verified as may be ordered.

Dealing with assets.

51. No Liquidator shall, while acting as such, except by leave of Court, either directly or indirectly, by himself, or any partner, clerk, agent or servant become purchaser of any part of the Company's assets.

Restriction on purchase of goods.

52. Where the Liquidator carries on the business of the Company, he shall not, without the express sanction

of the Court, purchase goods for the carrying on of such business from any person whose connection with the Liquidator is of such a nature as would result in the Liquidator obtaining any portion of the profit (if any) arising out of the transaction.

PROOF OF DEBTS.

Proof of debts. Advertisement for creditors.

53. For the purpose of ascertaining the debts and claims due from the Company and of requiring the creditors to come in and prove their debts or claims, an advertisement shall be issued at such time as the Court shall direct. In addition to advertisement, the Official Liquidator shall send notices by post to such persons as appear from the books of the Company to be its creditors. Such advertisement shall fix a time for the creditors to send their names and addresses and particulars of their debts or claims and the names or addresses of their advocates or pleaders (if any) to the Official Liquidator, and appoint a day for adjudicating thereon.

Attendance of creditors.

54. The creditors need not attend upon the adjudication, nor prove their debts or claims, unless they are required to do so by notice from the official Liquidator, but upon such notice being given, they are to come in, and prove their debts or claims within a time to be therein specified.

List of debts

55. The Official Liquidator shall investigate the debts and claims sent in to him, and ascertain, so far as he is able, which of such debts and claims are justly due from the Company, and he shall make out and file in Court a list of all the debts and claims sent in to him, distinguishing which of the debts and claims or parts of debts and claims are, in his opinion, justly due and proper to be allowed without further evidence, and which of them, in his opinion, ought to be proved by the creditors, and he shall make and file, prior to the time appointed for adjudication, an affidavit setting forth which of the debts and claims are justly due and proper to be allowed without further evidence, and stating his belief that such debts and claims are justly due and proper to be allowed and the reasons for such belief. (Forms Nos. 26 & 27).

Allowance of debts.

56. At the time appointed for adjudicating upon the debts and claims, or at any adjournment thereof, the Court may either allow the debts and claims upon the affidavit of the Official Liquidator, or may require the same, or any of them, to be proved by the claimants, and adjourn the adjudication thereon to a time to be then fixed, and the Official Liquidator shall give notice of such allowance to the creditors whose debts or claims have been allowed in such manner as the court may direct. (Form No. 28).

Proof of debts

57. The Official Liquidator shall give notice to the creditors whose debts or claims have not been allowed upon his affidavit, that they are required to come in and prove the same by a day to be named in the notice, being not less than four days after such notice, and to attend at a time to be therein named, being the time appointed by the advertisement or by adjournment (as the case may be) for adjudicating upon such debts and claims. (Forms Nos. 29 & 30.)

Expunging at the instance of Liquidator

58. If the Liquidator thinks that a proof has been improperly admitted, the Court may on the application of

the Liquidator, after notice to the creditor who made the proof, expunge the proof or reduce its amount.

Expunging at the instance of creditor or contributory.

59. The Court may also expunge or reduce a proof upon the application of a creditor or contributory if the Liquidator declines to interfere in the matter.

Estimation of value of debts and claims.

60. The value of all debts and claims against the Company shall, as far as possible, be estimated according to the value thereof at the date of the order to wind-up the Company.

Interest on claims allowed.

61. Creditors, whose debts and claims carry interest, and are allowed, shall be entitled to receive dividends upon what was due for principal and interest at the date of the commencement of the winding-up. In the event of there being a surplus the dividends payable to such creditors shall be applied first towards payment of the interest and secondly in reduction of the principal due to them.

Interest may be allowed on all claims in respect of which it is recoverable as damages.

Costs of proof

62. Such creditors as come in and prove their debts or claims pursuant to notice from Official Liquidator, may be allowed their costs of proof, which shall be added to the debt.

Judge's certificate of debts.

63. The result of the adjudication upon debts and claims shall be in the form of certificate to be signed by the court from time to time as convenience may require, and such certificate shall state whether the debts or claims are allowed or disallowed and whether allowed as against any particular assets, or in any other qualified or special manner. (Forms Nos. 31 & 32.)

List of Contributories.

List of contributories.

64. The Official Liquidator shall, with all convenient speed after his appointment, or at such time as the Judge shall direct, make out and file in Court a list of the contributories of the Company and such list shall be verified by the affidavit of the Official Liquidator, and shall, so far as is practicable, state the respective addresses of, and the number of shares or extent of interest to be attributed to, each such contributory, and distinguish the several classes of contributories. And such list may, from time to time, by leave of the court, be varied or added to by the Official Liquidator. (Forms Nos. 33,34,37 and 38.)

Notice of appointment to settle.

65. Upon the list of contributories being filed in Court, the Official Liquidator shall obtain an appointment for the Court to settle the same, and shall give notice in writing of such appointment to every person included in such list, stating in what character, and for what number of shares or interest, such person is included in such list, and in case any variation or addition to such list shall at any time be made by the Official Liquidator, a similar notice in writing shall be given to every person affected by such variation or addition. All such notices shall be served four days before the day appointed to settle such list or such variation or addition. (Forms Nos. 35 and 36.)

Judge's certificates.

66. A list of contributories as the same shall have been settled by the Court shall from time to time (when the Court shall so order) be drawn up by the Official Liquidator and signed by the Judge for the purpose of stat-

ing the result of such settlement down to any particular time, or as to any particular person or stating any variation of the list.

Notice to contributories.

67. The Official Liquidator shall forthwith give notice to every person whom he has finally placed on the list of contributories stating in what character and for what number of shares or interest he has been placed on the list and in the notice inform such person that any application for the removal of his name from the list, or for a variation of the list, must be made to the Court within 30 days from the date of the service on the contributory or alleged contributory of notice of the fact that his name is settled on the list of contributories.

Application to the Court to vary the list.

68 (1) Subject to the power of the Court to extend the time or to allow an application to be made notwithstanding the expiration of the time limited for that purpose, no application to the Court by any person who objects to the list of contributories as finally settled by the Official Liquidator shall be entertained after the expiration of 30 days from the date of the service on such person of notice of the settlement of the list.

(2) The Official Liquidator shall not in any case be personally liable to pay any costs of, or in relation to an application to set aside or vary his act or decision settling the name of a person on the list of contributories of a company.

SALES OF PROPERTY.

Sales of property.

69. Any moveable or immoveable property belonging to the company may be sold with the permission of the Court in the same manner as in the case of a sale under a decree or order of the Court, in a suit, or, if the Court shall so direct, by the Official Liquidator, in which case the conditions or contracts of sale shall be settled and approved of by the Court unless the Judge, shall otherwise direct; and unless on account of the small amount of the purchase-money or other cause, it shall be thought proper that the purchase-money shall be paid to him, all conditions and contracts of sale shall provide that the purchase-money shall be paid by the respective purchasers into Court or into a Bank approved by the Government to the account of the Official Liquidator of the company.

Expenses of sales.

70 Where property forming part of a Company's assets is sold by the Liquidator through an auctioneer or other agent the gross proceeds of the sale unless the Court shall otherwise direct shall be paid over by such auctioneer or agent, and the charges and expenses connected with the sale shall afterwards be paid to such auctioneer or agent, on the production of the necessary certificate, of the taxing officers. Every Liquidator by whom such auctioneer or agent is employed, shall unless the Court otherwise orders, be accountable for the proceeds of every such sale.

CALLS.

Calls. Application for call.

71. Every application to the Court to make any call on the contributories or any of them for any purpose authorised by the Regulation, shall be made by petition stating the proposed amount of such call, and such petition shall be served four clear days at the least before the day appointed for making the call on every contributory proposed to be included in such call, or if the Court

shall so direct notice of such intended call may be given by advertisement or such other public notification as the Court in its discretion may think sufficient.

Document making the call.

72. When the Official Liquidator is authorised by order to make a call on the contributories he shall file in Court a document in Form No. 47 with such variations as circumstances may require making the call.

Enforcement of call.

73. The payment of the amount due from each contributory on a call may be enforced by order of the Court, to be made on an application by the Official Liquidator, and may be executed as if it were a decree for money. (Forms Nos. 48, 49 and 52.)

Service of order.

74. When any order for a call has been made a copy thereof shall forthwith be served upon each of the contributories included in such call, together with a notice from the Official Liquidator specifying the amount or balance due from such contributory, having regard to the provisions of the Regulation in respect to such call; but such order need not be advertised unless for any special reason the Court shall so direct. (Forms Nos. 46 and 47.)

PAYMENT IN OF MONEYS AND DEPOSITS OF SECURITIES.

Payment in of moneys and deposit of securities. Default of payment into Bank.

75. Where any Official Liquidator shall not pay all the moneys received by him into the Bank authorised by Government or in the case of a District Court into that Court, to the account of the Official Liquidator of the Company, within seven days next after the receipt thereof, unless the Court shall have otherwise directed, such Official Liquidator shall be charged in his account with rupees ten for every thousand rupees and a proportionate sum for any larger amount retained in his hands beyond such period for every seven days during which the same shall have been so retained and the Judge may, for any such retention, disallow the salary or remuneration of such Official Liquidator.

Bills etc., to be deposited in Bank.

76. All bills, hundis, notes and other securities payable to the Company, or to the Official Liquidator thereof, shall unless the Judge otherwise directs as soon as they shall come to the hands of such Official Liquidator, be deposited by him in the Bank authorised by Government or in the case of a District Court in that Court, for the purpose of being presented for acceptance and payment, or for payment only, as the case may be.

Calls, etc., to be paid into Bank.

77. All orders for payment of calls, balances or other moneys due from any contributory or other person shall direct the same to be paid into the Bank authorised by Government or in the case of a District Court into that Court, to the account of the Official Liquidator of the Company unless, on account of the smallness of the amount or other cause, it shall be thought proper to direct payment thereof to the Official Liquidator; provided that where any such order has been made directing payment of a specific sum into the Bank authorised by Government, or in the case of a District Court into that Court, as aforesaid, in case it shall be thought proper for the purpose of enabling the Official Liquidator to issue execution or take other proceedings to enforce the payment thereof, or for any other reason, an order may, either before service of such former order or after the time thereby fixed for pay-

ment, be made, without notice for the payment of the same sum to the Official Liquidator.

Notice as to payment into Bank.

78. At the time of the service of any order for payment into the Bank or into a District Court as aforesaid the Official Liquidator shall give to the party served a notice to the purport or effect set forth in Form No. 50, for the purpose of informing him how the payment is to be made, and before the time fixed for such payment the Official Liquidator shall furnish the cashier of the Bank authorized by Government or in the case of a District Court the Nazir thereof, with a certificate to the purport or effect set forth in Form No. 51 to be signed by such Cashier or Nazir as the case may be and delivered to the party paying in the money therein mentioned.

Affidavit of non-payment.

79. For the purpose of enforcing any order for payment of money into the Bank authorized by Government, or in the case of a District Court into that Court, an affidavit of the Official Liquidator to the purport or effect set forth in Form No. 53, shall be sufficient evidence of the non-payment thereof.

Title of account in Bank.

80. All moneys, bills, hundis, notes and other securities paid and delivered into the Bank authorized by Government, or in the case of a District Court into that Court, shall be placed to the credit or account of the Official Liquidator of the Company; and orders for any such payment and delivery shall direct the same accordingly. (Form No. 23.)

DELIVERY OUT, OF SECURITIES AND PAYMENTS OUT AND INVESTMENT OF MONEYS.

On what authority moneys, etc., to be delivered by the Bank.

81. All bills, hundis, notes and other securities delivered into the Bank authorised by Government or in the case of a District Court into that Court, shall be delivered out upon a request signed by the Official Liquidator and countersigned by the Judge and moneys placed to the account of the Official Liquidator shall be paid out upon cheques or orders, signed by the Official Liquidator and countersigned by the Judge. (Form No. 23.)

Investment of money.

82. All or any part of the money for the time being standing to the credit of the account of the Official Liquidator in Court or at the Bank (or in the case of a District Court in that Court), and not immediately required for the purpose of the winding-up may be invested in the purchase of Government Promissory Notes in the name of the Official Liquidator or in deposit receipts of the Bank as the Judge, upon the application of the Official Liquidator may direct. All such investments shall be made upon a request signed by the Official Liquidator and countersigned by the Judge, which request shall be sufficient authority for debiting the account with the purchase-money. Such Government Promissory Notes or deposit receipts shall not afterwards be sold or transferred or otherwise dealt with except upon a direction for that purpose signed by the Official Liquidator and countersigned by or under an order made by the Judge.

Receipt of dividends.

83. Subject to any special order of the Court all dividends and interest to accrue due from any such notes or deposit receipts shall from time to time be received by the Bank or in the case of the District Court by that

Court under a power of attorney to be executed by the Official Liquidator, and placed to the credit of the account of such Official Liquidator, and when any of such notes or deposit receipts shall become payable the same shall be renewed or the principal and interest due thereon be received and placed to the credit of the account of the Official Liquidator.

MEETINGS OF CREDITORS OR CONTRIBUTORIES.

Meetings of creditors or contributories. Notice.

84. Where the Court shall direct a meeting of the creditors or contributories of the Company to be summoned under Section 239 of the Regulation, or where the Official Liquidator, either of his own motion or at the direction or request of the creditors or contributories under Section 183 of the Regulation, shall summon such a meeting, he shall give notice in writing, seven clear days before the day appointed for such meeting to every creditor or contributory of the time and place appointed for such meeting, and of the matter upon which it is desired to ascertain the wishes of the creditors or contributories, or where the Court shall so direct, such notice may be given by advertisement in the daily papers, in which case the object of the meeting need not be stated and it shall not be necessary to insert such advertisement in the *Mysore Gazette*. (Form No. 56.)

Order as to calling meeting.

85. The direction of the Court for any meeting of creditors or contributories under Section 239 of the Regulation and the appointment of a person to act as Chairman of any such meeting, shall be testified by a memorandum signed by the Judge of the Court. In the case of a meeting summoned by the Official Liquidator under Section 183 of the Regulation, he, or some one nominated by him, shall be Chairman.

Votes. Chairman's report.

86. The votes of the creditors or contributories of the company at any meeting summoned in accordance with Rule 66 may be given either personally or by proxy; but no creditor shall appoint a proxy who is not a creditor of the Company, whose debt or claim has been allowed, and no contributory shall appoint a proxy who is not a contributory of the Company. (Form No. 57.)

The Chairman of a meeting summoned by the direction of the Court shall report the result thereof to the Court. (Form No. 59.)

DIRECTION OR SANCTION OF COURT.

Drawing, accepting, etc., of bills.

87. The sanction of the Court to the drawing, accepting, making or endorsing of any bill of exchange, hundi or promissory note, by any Official Liquidator shall be testified by a memorandum on such bill of exchange, hundi or promissory note signed by the Judge.

Sanction of Judge on compromise.

88. Every application for the sanction of the Court to a compromise with any contributory or other person indebted to the Company, shall be supported by the affidavit of the Official Liquidator, stating that he has investigated the affairs of such contributory or person and believes that the proposed compromise will be beneficial to the Company, and giving his reasons for such belief; and the sanction of the Court thereto shall be testified by a memorandum signed by the Judge, on the agreement of

compromise, unless any party shall desire to appeal from the decision of the Court in which case an order shall be drawn up for the purpose.

In cases under section 179.

89. The direction or sanction of the Court for any proceeding or act to be taken or done by the Official Liquidator under the powers conferred on him by Section 179 shall (subject to the provisions of Section 180 of the Regulation) be obtained upon application in writing and an order shall be drawn up thereon, unless the Court shall otherwise direct.

PROCEDURE IN CERTAIN CASES.

Application to the Court under sections 183, 207, 212, 215 and 237 of the Regulation.

90. Every application under Sections 183 (3), 183 (5) 207 (viii), 207 (ix), 212 (2), 215 and 237 of the Regulation shall be made by petition.

Application under section 156.

91. Every application to the Court for recoveries of moneys due from contributories shall state particulars as nearly as in a plaint in a civil suit and shall be accompanied by the document or copies of account supporting the claim. It shall be supported by an affidavit of the liquidator. The further proceedings shall be of the nature of a suit as nearly as circumstances may require before a final order for payment is passed.

Insertion of advertisement.

92. When an advertisement is required for any purpose, except where otherwise directed by these rules, the advertisement shall be inserted once in the *Mysore Gazette* and in such other newspaper or newspapers, and for such number of times as may be directed. The Court, however, may, dispense with any advertisement required by these rules.

Affidavits. Filing and office copies of affidavits.

93. Where an order shall have been made for the winding-up of any company, any person intending to use any affidavit in any proceeding under such order, shall file the same in Court, and serve a copy thereof on the Official Liquidator. The person other than the Official Liquidator filing the affidavit shall not be required to take an office copy thereof, but an office copy thereof shall be taken by the Official Liquidator, and he shall produce the same at the hearing of any application or proceeding upon which it is intended to be used unless the Court shall otherwise direct.

Register of proceedings.

94. A Register shall be kept by the Court of all proceedings in each matter.

Inspection of accounts by contributories and creditors.

95. Every contributory of the Company, and every creditor thereof whose debt or claim has been allowed, shall subject to the order of the Court be entitled, at all reasonable times, to inspect all books of accounts, papers or documents relating to the winding-up of the Company, in the custody of the Official Liquidator free of charge, and at his own expense to take copies or extracts from the same, or to be furnished with such copies or extracts at a rate not exceeding two annas per folio of 100 words.

Rules applicable to provisional liquidators.

96. All the above rules relating to Official Liquidators, shall, so far as the same are applicable, and subject to the directions of the Judge in each case apply to Provisional Liquidators.

Attendance and appearance of parties.

97. No order to the prejudice of contributories or creditors shall be made *ex parte* on the application of the Official Liquidator and every person for the time being on the list of contributories of the company filed in Court by the Official Liquidator, and every person having a debt or claim against the company allowed by the Court shall be at liberty at his own expense to attend the proceedings before the Court, and shall be entitled upon payment of the costs occasioned thereby to have notice of all such proceedings as he shall by written request desire to have notice of, but if the Court shall be of opinion that the attendance of any such person upon any proceeding has occasioned any additional costs which ought not to be borne by the funds of the Company it may direct such costs, or a gross sum in lieu thereof, to be paid by such person, and such person shall not be entitled to attend any further proceedings until he has paid the same.

Appointment of representative party.

98. The Court may from time to time appoint any one or more of the contributories or creditors to represent at the expense of the Company all or any class of the contributories or creditors upon any question arising before the Court, as to a compromise with any of the contributories or creditors, or in and about any other proceedings in the Court relating to the winding-up of the company, and may remove the person or persons so appointed. In case more than one person shall be so appointed they shall unite in employing the same pleader to represent them.

Only contributories or creditors whose names are entered are entitled to attend proceedings.

99. No contributory or creditor shall be entitled to attend any proceedings before the Court, unless and until he has entered in a book to be kept for that purpose and called an "Appearance Book" his name and address and the name and address of his pleader or agent (if any), and upon any change of his address or of his pleader or agent, his new address and the name and address of his new pleader or agent.

SERVICE OF SUMMONS, NOTICES, ETC.

Service upon contributories and creditors, how effected.

100. Service upon contributories and creditors shall be effected (except when personal service is required) by sending the notice, or copy of the petition, summons, order, or other proceedings, through the post in a registered letter addressed to the party or his pleader or agent at the address entered, or last entered, pursuant to the preceding rule, or if no such entry has been made, then if a contributory, to his last known address or place of abode, and if a creditor, to the address given by him pursuant to Rule 53 and such notice or copy, summons, order, or other proceeding shall be considered as served at the time the same would be delivered in the due course of post, and notwithstanding the same may be returned by the post office.

Name of person incomplete.

101. No service under these rules shall be deemed invalid by reason that any name other than the surname of the person (if the said person be a European) or any name other than the final name ordinarily used by the person (being other than a European) on whom service is sought to be made has been omitted, or designated by initial letters, in the list of contributories or in the petition, summons, order, notice or other document, wherein the name of such contributory or creditor is contained, provided the Court is satisfied that such service is in other respects sufficient.

Transfer of winding-up from Chief Court to District Court under Sections 164 and 165 of the Regulation.

102. Applications for the transfer of winding-up proceedings either from the Chief Court to a District Court, or from one District Court to another, as the case may be, shall be made by petition which shall be filed in Court. Upon the filing of such petition as aforesaid the Court shall fix a date for hearing it and shall give such orders and directions for the issue of notices and the publication of advertisement of it as the nature of the case may require.

Order for transfer.

103. When the Court decides to transfer the proceedings an order shall be made in Form No. 66.

TERMINATION OF WINDING-UP.

Termination of winding-up proceedings.

104. Upon the termination of the proceedings for the winding-up of any company, a balance sheet shall be brought in by the Official Liquidator of his receipts and payments, and verified by his affidavit; and the Official Liquidator shall pass his final account, and the balance (if any) due on the final account shall be certified by the Judge, and upon payment by the Official Liquidator of the balance (if any) in such manner as the Court shall direct, the recognizances entered into by the Official Liquidator and his sureties may be vacated. (Form No. 73.)

Dissolution of company.

105. Where the Official Liquidator has passed his final account, and the balance (if any) due thereon has been paid in such manner as the Court shall direct, the Official Liquidator shall, in case the company has not been already dissolved, apply to the Court for an order that the company be dissolved from the date of such order. (Form No. 74.)

Deposit of proceedings in Court.

106. When the proceedings for winding up any company have been completed, the file of proceedings and the book containing the Official Liquidator's account shall be deposited in the records of the Court.

Times for filing Liquidator's statements, and regulations applicable thereto.

107. The statements with respect to the proceedings in and position of the liquidation of a company, the winding-up of which is not concluded within a year after its commencement, shall be filed with the Registrar twice in every year as follows:—

(1) The first statement, commencing at the date when a Liquidator was first appointed and brought down to the end of 12 months from the commencement of the winding-up, shall be filed within 30 days from the expiration of such 12 months; and the subsequent statements shall be filed at intervals of half a year, each statement being brought down to the end of the half-year for which it is filed.

(2) Form No. 68, with such variations as the circumstances may require, shall be used.

(3) Every statement shall be verified by affidavit in Form No. 69.

Liquidator's statements in voluntary liquidations.

108. The statements required by Section 216 of the Regulation to be laid before the general meetings of a company, the voluntary winding-up of which continues for more than one year, shall, with such variations as circumstances may require, be in the same form and contain the same particulars as the statements mentioned in Rule 107.

DUTIES OF PLEADER OF OFFICIAL LIQUIDATOR.

Duties of pleader of Official Liquidator.

109. The pleader of the Official Liquidator shall conduct all such proceedings as are ordinarily conducted by pleaders in Civil Courts; and where the attendance of his pleader is required on any proceedings, the Official Liquidator need not attend in person, except in cases where his presence is necessary in addition to that of his pleader, or the Court shall direct him to attend.

Procedure.

110. The general practice of the Court shall in cases not provided for by the Mysore Companies Regulation, or these rules, and so far as the same is not inconsistent with the said Regulation or these rules, apply to all proceedings for winding-up of a Company in any Court.

Application to rules.

111. These rules shall apply to proceedings under the Mysore Companies Regulation (No. VIII of 1917); and the winding-up proceedings continued under the Mysore Companies Regulation, (No. III of 1895), in pursuance of Section 284 of the Regulation, shall be regulated by that Regulation.

APPENDIX.

FORMS IN PROCEEDINGS FOR REDUCTION OF CAPITAL.

No. 1—*Form of order.*

(Rule 6.)

(*For General heading, see Rule* 1.)

Upon the application of the petitioners, dated and upon hearing the advocate or pleader for the petitioners, and on reading the petition filed on the day of preferred unto the Court, it is ordered, that an enquiry be made what are the debts, claims and liabilities of or affecting the said Company on the day of 19 , and that notice of the presentation of the said petition be inserted in ( ) on the day of and ( ) and that a list of the persons who are creditors of the Company on the said day of and the affidavit verifying the same be filed, on or before day of And it is further ordered that any creditor whose name does not appear in such list or who claims to be a creditor for a larger amount than that for which he is entered in such list shall on or before the day of send in his name and address and the particulars of his debt or claim and the name and address of his advocate or pleader (if any) to the advocate or pleader of the Company and it is further ordered that the notice of the day so fixed as last aforementioned shall be given in writing by registered post to every creditor whose name appears in such list and such notice shall be inserted in on the day of and in on the day of and it is further ordered that the advocate or pleader of the Company and some competent officer or officers of the Company do on or before the day of make and file an affidavit stating the result of